

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: CORE SCIENTIFIC, INC., <i>et al.</i>, Debtors.¹	§ § § § § § § § §	Chapter 11 Case No. 22-90341 (DRJ) (Jointly Administered)
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**MOTION OF DEBTORS FOR
ENTRY OF ORDER (I) WAIVING THE DEBTORS' REPORTING
REQUIREMENTS UNDER RULE 2015.3 AND (II) GRANTING RELATED RELIEF**

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT [HTTPS://ECF.TXSB.USCOURTS.GOV/](https://ecf.txsb.uscourts.gov/) WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. IF YOU DO NOT HAVE ELECTRONIC FILING PRIVILEGES, YOU MUST FILE A WRITTEN OBJECTION THAT IS ACTUALLY RECEIVED BY THE CLERK WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED

Core Scientific, Inc. and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (6074); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

Relief Requested

1. By this Motion, the Debtors request an order (i) pursuant to section 105(a) of chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 2015.3(d) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) waiving the requirement for the Debtors to file their reports of financial information on entities in which the Debtors’ estates hold a controlling or substantial interest (the “**Rule 2015.3 Reports**”) for cause; and (ii) granting related relief.²

2. A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the “**Proposed Order**”).

Jurisdiction

3. The United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. On December 21, 2022 (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under the Bankruptcy Code. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being

² Pursuant to Bankruptcy Rule 2015.3(a), the initial 2015.3 Reports must be filed on or before February 10, 2023. Because this Motion, which requests a waiver of the requirement to file the 2015.3 Reports, was filed prior to the expiration of the current deadline to file such reports, the Debtors also request that this Motion, pursuant to Bankruptcy Local Rule 1075-1, be deemed to constitute an extension of such deadline through and including the date of the hearing on this Motion.

jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Bankruptcy Rules and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Local Rules**”).

5. On January 9, the United States Trustee for Region 7 (the “**U.S. Trustee**”) appointed an official committee of unsecured creditors (the “**Creditors’ Committee**”). No trustee or examiner has been appointed in these chapter 11 cases.

6. On December 22, 2022, the Court entered the *Order Extending Time for Debtors to File Schedules of Assets and Liabilities, Schedules of Current Income and Current Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and Rule 2015.3 Reports* (Docket No. 122) (the “**2015.3 Order**”).

7. Additional information regarding the Debtors’ business and capital structure and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Michael Bros in Support of the Debtors’ Chapter 11 Petitions* (Docket No. 5) (the “**First Day Declaration**”).³

Rule 2015.3 Requirement and Waiver

8. Bankruptcy Rule 2015.3(a) requires the Debtors to file Rule 2015.3 Reports on “the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest.” Fed. R. Bankr. P. 2015.3(a). Bankruptcy Rule 2015.3(a) also provides that the Rule 2015.3 Reports shall be “based upon the most recent information reasonably available to the . . . debtor in possession.” *Id.*

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the First Day Declaration.

9. Pursuant to Bankruptcy Rule 2015.3(d), the Court is authorized to waive the Rule 2015.3 Reporting Requirement for cause. *Id.*

Relief Requested Should Be Granted

10. Prior to filing this motion, the Debtors conferred with the U.S. Trustee regarding waiving the requirement to file Rule 2015.3 Reports and the U.S. Trustee agreed to the waiver.

11. As discussed in the First Day Declaration, the Debtors have the following non-Debtor affiliates, which may be subject to the requirements of Rule 2015.3: (i) Core Scientific Partners, LP; (ii) Core Scientific Partners GP, LLC; (iii) CSP Advisors, LLC; (iv) CSP Liquid Opportunities GP, LP; (v) CSL Liquid Opportunities Master Fund, LP; (vi) CSP Liquid Opportunities Fund, LP; and (vii) CSP Liquid Opportunities Offshore Fund (collectively, the “**Non-Debtor Affiliates**”).

12. The Non-Debtor Affiliates were formed in conjunction with a potential prepetition transaction that was never consummated. The Non-Debtor Affiliates have *de minimis*, if any, assets and liabilities, do not engage in any operations, and have no historical financial transactions in the Debtors’ accounting system. The Debtors believe that, under these circumstances, preparing Rule 2015.3 Reports for the Non-Debtor Affiliates would result in unnecessary costs to the Debtors’ estates with no corresponding value in these chapter 11 cases.

13. Accordingly, for the reasons set forth herein, the Debtors’ request that this Court enter the Proposed Order to enable this agreement to take effect.

Notice

14. Notice of this Motion will be served on any party entitled to notice pursuant to Bankruptcy Rule 2002 and any other party entitled to notice pursuant to Bankruptcy Local Rule 9013-1(d).

No Previous Request

15. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

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WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: February 9, 2023
Houston, Texas

Respectfully submitted,

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*Attorneys for Debtors
and Debtors in Possession*

Certificate of Service

I hereby certify that on February 9, 2023, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Alfredo R. Pérez

Alfredo R. Pérez